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DEPARTMENT OF STATE TELEGRAM

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JOINT STATE/DEFENSE/CIA/AID MESSAGE

BANGKOK PASS RED

SUBJ: SYMINGTON AMENDMENT IN MILITARY PROCUREMENT
AUTHORIZATION LAW ACT

REF: STATE 204911

1. SYMINGTON AMENDMENT (SECTION 505) IN MILITARY PROCUREMENT
AUTHORIZATION ACT SIGNED BY PRESIDENT NOVEMBER 17 MAY POSE
SOME PROBLEMS OF WHICH WE WISH YOU TO BE AWARE.

2. FOLLOWING IS INTERAGENCY INTERPRETATION OF SYMINGTON
AMENDMENT IN THE LIGHT OF ITS LEGISLATIVE HISTORY INCLUDING
THE STATEMENT OF MANAGERS (REFTEL). CEILING SHOULD BE
CONSIDERED TO INCLUDE ALL ASSISTANCE-RELATED ACTIVITIES

DEPARTMENT OF STATE TELEGRAM

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LAOS. AS IS SHOWN BY PARA TWO OF THE STATEMENT OF MANAGERS (PARA 2 REFTEL), THE CONFEREES HAD IN MIND ESPECIALLY THOSE PROGRAMS FOR LAOS DISCUSSED BEFORE THE SENATE ARMED SERVICES COMMITTEE (SASC) ON JULY 22, 1971, NAMELY LAO SF (DOLS 221.2 MILLION), AID (DOLS 50.6 MILLION, SEE PARA 3 LOW), AND CIA PARAMILITARY PROGRAM (DOLS 75 MILLION). THE COSTS OF THESE PROGRAMS ADDED APPROXIMATELY TO DOLS 346.8 MILLION, THEREBY LEADING TO THE DOLS 350 MILLION CEILING WHICH CONGRESS UNDERSTOOD WAS EQUIVALENT TO PROGRAMMED FY-72 EXPENDITURES AND WOULD THEREFORE NOT REQUIRE PROGRAM CUTS. CONFERENCE REPORT SPECIFICALLY EXCLUDED FROM CEILING INTERESTS, "NORMAL" EMBASSY COSTS (SEE PARA 12, REFTEL) WHICH SASC AFF MEMBER SAID WAS WORDED TO EXCLUDE ALSO USIA EXPENSES AND CIA INTELLIGENCE PROGRAMS, WHICH ARE NOT ASSISTANCE RELATED. WE ALSO BELIEVE THAT AID TO SOUTH VIETNAMESE FORCES FOR OPERATIONS AGAINST SANCTUARIES AND TRAIL IN LAOS ARE NOT ASSISTANCE-RELATED ACTIVITIES IN LAOS" AND HENCE NOT TO BE INCLUDED UNDER THE CEILING. COMBAT AIR OPERATIONS BY US MILITARY FORCES IN LAOS CAN, WE BELIEVE, BE CONSTRUED TO INCLUDE ARDF, RECONNAISSANCE, SAR FOR US AND GVN PILOTS, AND HELILIFT FOR ARVN CROSS BORDER OPERATIONS. STATEMENT OF MANAGERS ALSO INDICATES (PARA 9 REFTEL) THAT QUARTERLY REPORTING SHOULD BE OF EXPENDITURES FOR ONLY THOSE PROGRAMS UNDER THE CEILING.

WE THEREFORE CONSIDER THAT EXPENDITURES FOR THE FOLLOWING PROGRAMS SHOULD BE INCLUDED IN YOUR REPORTING REQUIREMENTS US:

AID: AID PROGRAM FOR LAOS (FEOP, USIP, PROJECTS): PL-480 TITLE II; REGIONAL FUNDS EARMARKED FOR EXPENDITURES IN OR FOR LAOS (E.G. NAM NGUM). RE FIRST CATEGORY, WE ARE ASSUMING SUBJECT TO FINAL CONGRESSIONAL ACTION ON AID APPROPRIATION) 1972 PROGRAM OF DOLS 47.3 MILLION SINCE AID INFORMED CONGRESS SUBSEQUENT TO CONGRESSIONAL PRESENTATION THAT THE DOLS 50.6 MILLION INCLUDED FOR LAOS WAS REDUCED BY DOLS 3.3 MILLION FOR COSTS SHIFTED TO OTHER AGENCIES.

DOD: LAO MASF; DOD OVERHEAD COSTS (DEPCHIEF AND PROJECT 4), US FORCES AIR ACTIVITIES IN LAOS OTHER THAN THOSE ENUMERATED IN PARA 2. (STATE MAY RAISE WITH SASC POSSIBILITY OF EXCLUDING FROM CEILING CERTAIN AIR ACTIVITIES

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CONDUCTED BY US MILITARY FORCES SUCH AS LOGISTIC AIRLIFT
ACTIVITIES, HELILIFT AND MEDEVAC FOR LOCAL FORCES AND SAR
FOR RLAF PERSONNEL.)

CIA: LAO PARAMILITARY PROGRAM (NOT INCLUDING INTELLIGENCE
OPERATIONS).

4. "EXPENDITURES" IN THE AMENDMENT IS INTERPRETED TO MEAN
ACTUAL DELIVERIES TO LAOS, INSOFAR AS MATERIEL IS CONCERNED.
THIS WILL REQUIRE A REPORTING SYSTEM DIFFERENT FROM THAT
USED TO DATE FOR MOST CONGRESSIONAL AND OTHER PURPOSES AS IT
COUNTS ITEMS AS THEY ENTER LAOS. WE RECOGNIZE THAT ACTUAL
DELIVERIES TO LAOS ARE VERY DIFFICULT TO PROJECT WITH GREAT
ACCURACY PARTICULARLY WITHOUT RECORD OF EXPERIENCE. WE
HOPE THAT PREPARATION OF REPORT FOR FIRST SIX MONTHS, DUE
IN JANUARY, WILL PROVIDE VALUABLE EXPERIENCE FOR DEVISING
ACCOUNTING PROCEDURES TO PROVIDE REASONABLY ACCURATE
PREDICTIONS FOR VALUE OF DELIVERIES IN ORDER TO CONTROL
IMPLEMENTATION OF THE CEILING.

5. WE ARE CURRENTLY EXAMINING THE PROBLEM OF SUPPORTING THE
FY-72 PROGRAM WITHIN THE DOLS 352 MILLION CEILING. CIA IS
WORKING OUT MORE ACCURATE ESTIMATES OF EXPENDITURES BASED
ON REALITIES OF THAI SGU PROGRAM (RATHER THAN SIMPLE EXTENSION
OF COSTS BASED ON PROGRAMMING FOR FULL 36 SGU). DOD IS
REVIEWING SYSTEM FOR MANAGEMENT OF LAOS MASF AND WILL SOON
DISPATCH INSTRUCTIONS AIMED AT EXPLORING ALL AREAS FOR SAVINGS
THROUGH USE OF LONG SUPPLY AND EXCESS, VALIDATION OF
REQUIREMENTS, AND APPLICATION OF COST EFFECTIVENESS TECHNIQUES.
IN THIS REGARD, REQUIREMENTS OFFICE MUST COOPERATE FULLY WITH
DEPCHIEF WHEN REQUESTED BY HIM TO PROVIDE DATA ON
REQUIREMENTS, DELIVERIES, USAGE, AND IN IDENTIFYING POSSIBLE
ECONOMIES IN THE PROGRAM. WE WISH TO MAKE EVERY EFFORT TO
INSURE THAT COMPLIANCE WITH THE AMENDMENT WILL HAVE MINIMUM
EFFECT ON ESSENTIAL ELEMENTS OF FY-72 PROGRAM.

6. WE SHALL KEEP YOU INFORMED OF OUR EFFORTS HERE AND WILL
BE SENDING GUIDANCE ON REPORTING REQUIREMENTS AS THEY ARE
WORKED OUT BY EACH AGENCY. GP-2. ROGERS

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